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ATTORNEYS AT LAW
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ELLSWORTH C. ALVORD (1964)

20006-2973
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OF COUNSEL
URBAN A. LESTER

July 2, 1996

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) certified copies of a Lease Schedule to Master Equipment Lease Agreement, dated June 28, 1996, a primary document as defined in the Board's Rules for the Recordation of Documents and two (2) certified copies of a Locomotive Lease No. 96-21 (a Sub-Lease), dated February 27, 1996, a secondary document related thereto.

The names and addresses of the parties to the enclosed documents are:

Lease Schedule to Master Equipment Lease Agreement

Lessor: First Security Leasing Company of Nevada
c/o First Security Leasing Company
381 East Broadway, 2nd Floor
Salt Lake City, Utah 84111

Lessee: Nevada Industrial Switching, Inc.
45 West University, Suite A
Mesa, Arizona 85201

RECORDATION NO. 20165 FILED 1425

JUL 2 1996 - 1 45 PM

RECORDATION NO. 20165-A FILED 1425

JUL 2 1996 - 1 45 PM

INTERSTATE COMMERCE COMMISSION

RECEIVED
SURFACE TRANSPORTATION
BOARD
JUL 2 1 40 PM '96

Companion file - ELM

Mr. Vernon A. Williams
July 2, 1996
Page 2

Locomotive Lease No 96-21

Sublessor: Nevada Industrial Switching, Inc.
P.O. Box 5739
Mesa, Arizona 85201

Sublessee: ECDC Environmental, L.C.
127 South 500 East, Suite 675
Salt Lake City, Utah 84102

A description of the railroad equipment covered by the enclosed documents is:

two (2) locomotives ECDC 4431 and ECDC 4355

Also enclosed is a check in the amount of \$42.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed documents to the undersigned.

Very truly yours,



Robert W Alvord

RWA/bg
Enclosures

SURFACE TRANSPORTATION BOARD

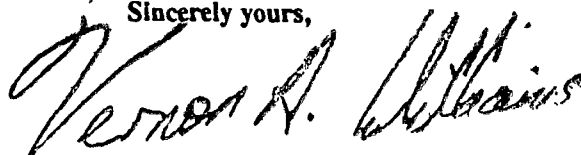
7/2/96

Robert W. Alvord
Alvord And Alvord
918 Sixteenth Street, NW., Ste. 200
Washington, DC., 20006-2973

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 7/2/96 at 1:45PM , and assigned recordation number(s). 20165, 20165-A, 20166, 20166-A, 19299-F, 19299-G, 20058-I, 20058-J, 20058-K, 20058-L and 18976-Z.

Sincerely yours,



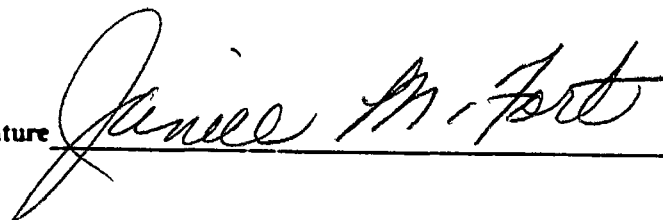
Vernon A. Williams
Secretary

Enclosure(s)

\$ 231.00

The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



-ORIGINAL-

20165-A
RECORDATION NO. _____ FILED 1425
JUL 7 1996 1:00 PM

NEVADA INDUSTRIAL SWITCHING, INC.

INTERSTATE COMMERCE COMMISSION

LOCOMOTIVE LEASE NO. 96-21

THIS AGREEMENT, made and entered into this 27th day of February, 1996, by and between NEVADA INDUSTRIAL SWITCHING, a Nevada Corporation, hereinafter called "LESSOR" and ECDC ENVIRONMENTAL, L.C., a Utah Limited Liability Company, hereinafter called "LESSEE".

WITNESSETH:

WHEREAS, Lessor is willing to furnish two (2) used SD-9 EMD locomotives per specifications and description as shown on attached Exhibit "A", and Lessee is desirous of leasing said locomotives.

NOW THEREFORE, in consideration of the premises and of the covenants, promises and undertakings of the parties hereto, as hereinafter contained, it is agreed as follows:

1. Lessor agrees to deliver to the Lessee at East Carbon, UT on or about April 1, 1996 the above listed used SD-9 EMD locomotives. Locomotives to be in compliance with the Federal Railroad Administration requirements. Acceptance of locomotives by Lessee at East Carbon, UT shall constitute acceptance by Lessee, and shall be conclusive evidence of the fit and suitable condition of locomotives.
2. This lease shall become effective as of the date hereof, and unless otherwise terminated by any other provision hereof, shall continue in full force and effect for thirty-six (36) consecutive calendar months following acceptance of units by Lessee.
3. Lessee covenants and agrees to pay rental charges to the Lessor for the use of each locomotive at the rate of Eighty-Five Dollars (\$85.00) per unit per day during the term of this lease beginning on the date of acceptance by Lessee at East Carbon, UT and continuing for a full thirty-six (36) consecutive calendar months until locomotives are returned to Lessor. Monthly lease payments shall be due on the first day of each month, in advance.

-ORIGINAL-

Page 2.

4. Lessee agrees to maintain locomotives described in Exhibit "A" in satisfactory operating condition so as to meet all F.R.A. requirements. Lessee shall be responsible for all repairs for the term of this lease. Lessor shall warranty crankshaft, main generator and traction motors, (parts only), during the first ninety (90) days of this Agreement. Lessee shall provide routine service for the locomotives and all consumables such as fuel, lubricants, sand, filters, brake shoes, fuses, light bulbs, carbon brushes, etc. Lessee will be responsible for all 92-day F.R.A. inspections which may be required.

5. Lessor agrees to furnish technical on-site assistance on Lessee's property to install locomotives into operation. Lessee will execute a Certificate of Acceptance on each locomotive, with any noted defects to be corrected by Lessor.

6. Locomotives shall be considered to be delivered to Lessee hereunder upon date of acceptance by Lessee at East Carbon, UT. In the furnishing of locomotives Lessor shall not be liable for delays or other matters beyond its control, but rental charges shall be pro-rated and rebated during any delay period.

7. Lessee agrees, immediately upon the expiration or termination of this Agreement, to return locomotives to Lessor, F.O.B. East Carbon, UT in condition as good as that in which it was received, normal wear and tear excepted, and the Lessee further agrees to give Lessor advance written notice of such return.

8. Lessor shall not be liable for any environmental impact problems that may arise under any present or future regulations that may be issued or enforced by any City, Municipal, State or Federal Authority.

9. Upon default by Lessee in the payment of any amounts due under the terms of this lease, whether as rental or otherwise, or upon the violation by Lessee of any of the terms and conditions hereof, Lessor at its sole option, by thirty (30) day written notice to Lessee, may declare this lease to be terminated and all rights of Lessee to said locomotives to be at an end, and Lessor shall become entitled to the immediate possession of locomotives. Lessee shall have the right to cure the act of default within the thirty (30) day notice period. If Lessee cures the act of default, Lessor may not terminate this lease. Declaration of default and repossession of locomotives by Lessor shall not excuse Lessee from the liability to Lessor for any rental earned prior to the termination of said lease. Lessee shall further be liable for and shall pay all reasonable expenses incurred by Lessor in taking said locomotives into its possession upon such or any default under the terms of this lease.

-ORIGINAL-

Page 3.

10. Lessee shall utilize locomotives for commercial railway hauling and/or switching purposes only; and Lessee shall comply with all rules of the Interstate Commerce Commission, Association of American Railroads and the Federal Railroad Administration, or any successors thereto, with respect to the use, maintenance and operations of locomotives while in possession of Lessee.

11. Lessee shall be liable for and pay and satisfy every lawful claim and liability arising against the use or operation of locomotives during the terms of this lease and, as additional rental, assumes hereunder all license fees; sales, lease or use taxes; and all other charges and penalties imposed by the state of operation or any other state, governmental, or municipal subdivision in which locomotives may be situated, or may be operated, during the term of this lease.

12. Lessee shall provide and maintain for locomotives while under lease, insurance to cover both Lessor and Lessee against claims of third parties as follows:

- a. Public liability and property damage coverage protecting Lessor and Lessee with respect to their liability for injuries and/or death to third parties and damage, destruction or loss of use of property of third parties, as provided in the insurance policy or policies.
- b. Liability coverage shall provide for an aggregate limit of not less than Two Million Dollars (\$2,000,000), to the extent as commercially available, for all damages arising out of the bodily injuries to or death of persons and for all damages to or destruction of property within one (1) year, and with maximum self insured retention of One Hundred Thousand dollars (\$100,000) to the extent commercially available.
- c. Lessor shall not be required to provide any insurance coverage in connection with leased locomotives.
- d. Lessee further agrees to provide and maintain physical damage insurance coverage in amount of \$150,000 on each locomotive for loss and damage to said locomotive due to fire, theft, windstorm, flood or other risks and hazards covered by the standard type of policy regularly issued therefore. Lessor shall be named as insured in the above physical damage policy.

- e. In event Lessee fails to procure or maintain the above insurance, Lessor may procure or maintain the insurance. Resultant cost shall be payable to Lessor as part of the next rental payment, and Lessee's failure to pay this cost shall have the same effect as the failure to pay rent.
- f. Lessee shall provide Lessor with a certificate of such insurance coverage from the insurer which shall provide that insurer will notify Lessor in writing at least thirty (30) days prior to cancellation or refusal to renew any policy.
- g. Lessee shall indemnify Lessor against any loss, liability, damage or expense which it may incur by reason of any claim or claims made by third parties growing out of the operation of locomotives, except for any loss, liability damage or expense caused or resulting from any failure of Lessor to perform its obligations hereunder.

13. Lessee agrees that it will use locomotives exclusively in Lessee's own service and to not assign, transfer, sublet or lease its rights under this lease, without prior written consent of Lessor, and will not pledge, mortgage or otherwise encumber or permit to exist upon or be subjected to any lien or charge, any right or interest of Lessee hereunder.

14. Lessee hereby understands that Lessor assumes no liability for injuries sustained by any person or employee of Lessee from the use of locomotives except for injuries to Lessor's employees or representatives resulting from the performance of Lessor's obligations hereunder.

15. Each party (the "Indemnitor") agrees to indemnify, hold harmless and defend the other party (the "Indemnatee") from and against any and all liabilities, claims, penalties, forfeitures, suits, and the costs and expenses incident thereto (including costs of defense, settlement and reasonable attorney's fees), which the Indemnatee may hereafter incur, become responsible for, or pay out as a result of death or bodily injury to any person, destruction or damage to any property, contamination of or adverse effects on the environment, or any violation of governmental laws, regulations or orders, to the extent that such damage was caused by: (i) the Indemnitor's breach of any term or provision of this Agreement; (ii) the failure of any warranty of the Indemnitor to be true, accurate and complete; or (iii) any negligent or willful act or omission of the Indemnitor or its employees or agents.

-ORIGINAL-

Page 5.

16. All payments or notices required to be given hereunder pursuant to this lease shall be in writing and are to be addressed and sent to; if to Lessor to NEVADA INDUSTRIAL SWITCHING, INC., P. O. BOX 5739, MESA, AZ 85201 and if to Lessee to ECDC ENVIRONMENTAL, L.C. 127 SOUTH 500 EAST, SUITE 675, SALT LAKE CITY, UT, 84102, or such other address as may be designated from time to time by either party in writing. All payments in arrearage shall bear eighteen percent (18%) per annum interest until date paid.

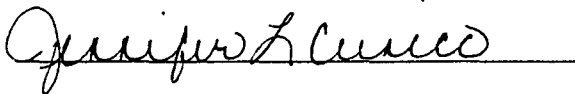
17. The Lessee shall place no lettering or marking of any kind upon locomotives without Lessor's prior written consent, except as provided or required by law, or that, for the purpose of evidencing the operation of locomotives in the Lessee's service hereunder, the Lessee shall be permitted to board, placard, or apply appropriate signs and/or plaques.

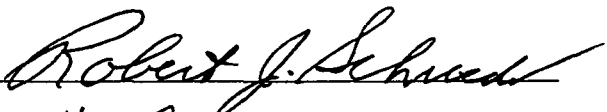
18. If the Lessee shall fail to carry out and perform any of the obligations on its part to be performed under this Agreement, or if a petition, in bankruptcy, for reorganization, for a Trustee, or for a Receiver, shall be filed by or against the Lessee, then and in any of said events, Lessor shall have, without notice or demand, the right immediately to repossess the locomotives, to remove locomotives from Lessee's service, and to terminate this Agreement. If Lessor shall not terminate this Agreement, the Lessee's liability for said locomotives rental charges and all other obligations of the Lessee hereunder shall continue. The rights and remedies herein given to Lessor shall in no way limit its other rights and remedies given or provided by law or in equity.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed and delivered the day and year first above written.

ATTEST:

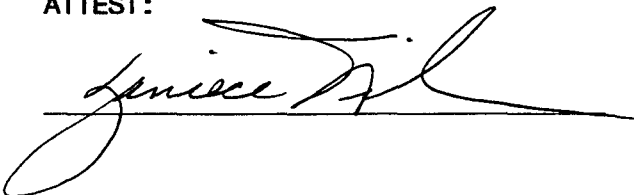
NEVADA INDUSTRIAL SWITCHING, INC.

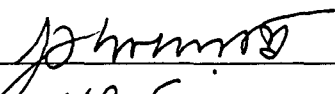


By 
Title VICE PRESIDENT

ATTEST:

ECDC ENVIRONMENTAL, L.C.



By 
Title VP-Finance

\$105,000 @ unit

MID-AM EQUIPMENT, INC.

MODEL SD-9 EMD 1800 HP DIESEL LOCOMOTIVES

QUANTITY	-	2
YEAR BUILT	-	1954-59
CLASS 1 REBUILD	-	1972-78
LOW OR HIGH NOSE	-	HIGH NOSE - SHORT HOOD FORWARD
MU EQUIPPED	-	YES
DYNAMIC BRAKING	-	YES
DIESEL ENGINE	-	16-567-C WITH 645 POWER ASSEMBLIES
MAIN GENERATOR	-	D-12B OR C
AUX. GENERATOR	-	10 KW
AIR COMPRESSOR	-	WBO
AIR BRAKES	-	#24RL
CAB GLASS	-	FRA 223 GLAZING
CONTROL STAND	-	ROUND
TRUCKS	-	6 1/2 X 12 ROLLER BEARING
TRACTION MOTORS	-	D-77 OR D-78
WHEELS	-	40" WHEELS - 2" OR BETTER
ENGINE ROOM	-	GOOD CONDITION
ELECTRICAL WIRING	-	GOOD CONDITION - REWIRED TEFLON - 1972-78
KIM HOTSTART	-	NEW OIL/WATER ENGINE BLOCK HEATER 480 AMPS - 3 PHASE - 18KW
EXTERIOR PAINT	-	REPAINTED TO BUYER'S SPECIFICATIONS WITH 2 COLOR IMRON



Mid-Am Equipment, Inc.

P.O. Box 5739 • Mesa, AZ 85201-5739

(602) 655-8133 • FAX (602) 655-8144

INVOICE**NO.** 2084**Date:** JUNE 27, 1996**Ship To:****Sold To:**

FIRST SECURITY LEASING
411 BONNEVILLE AVE STE# 200
LAS VEGAS, NV 89101
ATTN: BRIAN STEGALL

C/O NEVADA INDUSTRIAL SWITCHING
ECDC ENVIRONMENTAL
COLUMBIA JCT. UT

Customer Order No.		Date Shipped		Shipped Via	
N2032		04/03/96		RAIL	
Terms		F.O.B.		Freight	
NET 45 DAYS		EXETER, CA.		PREPAY & ADD	
Quantity	Description			Unit Price	Amount
TWO (2)	SD-9 EMD LOCOMOTIVES			\$105,000.00	\$210,000.00
	ECDC 4431 (FORMER SP-4431)				
	ECDC 4355 (FORMER SP-4355)				
	TOTAL:				\$210,000.00
10920					
Tax Exempt - For Resale					
1 1/2% per month service charge after 30 days.					
Annual percentage rate 18%.					

10920

JUN-28-96 FRI 16:40

JUN 28 '96 13:27 FR FSLCNU

702 383 2930 TO 18013009101

P.04/08

ACKNOWLEDGMENT AND CONSENT TO ASSIGNMENT OF LEASE

The undersigned, ECDC ENVIRONMENTAL, L.C., a Utah limited liability company ("Sublessee") with its principal office 127 South 500 East, Suite 675, Salt Lake City, Utah 84102 hereby executes this Acknowledgment and Consent to Assignment of Lease (the "Acknowledgment") as of June 28, 1996.

Recitals

A. Sublessee is the lessee under that certain Locomotive Lease No. 96-21 (the "Agreement") dated February 27, 1996 with Nevada Industrial Switching, a Nevada Corporation ("Assignor").

B. Assignor has assigned and conveyed all of its right, title and interest in and to the Agreement and in and to the Equipment (defined below) to First Security Leasing Company ("FSLC") pursuant to that certain Assignment Agreement dated as of June 28, 1996 and all related documents (the "Assignment") as security for the payment and performance of an equipment lease between FSLC, as lessor, and Assignor, as lessee, for two (2) SD-9 EMD HP Diesel Locomotives (the "Equipment").

Agreement

1. Consent and Validity. Sublessee consents to the Assignment. Sublessee warrants that: (a) the Agreement is valid, in full force and effect, enforceable in accordance with the terms; (b) no defaults exist pursuant to the terms of the Agreement; (c) Assignor has performed all obligations required to be performed under the Agreement through the date hereof; and (d) there have been no amendments, modifications or waivers with respect to the Agreement.

2. Remaining Payments. Thirty (30) payments in the amount of \$ 5100. each plus any applicable taxes and charges, remain due under the Agreement.

3. Payments to Assignor and to FSLC. Sublessee agrees that until it receives notice of Assignor's default from FSLC, Sublessee shall make its regular monthly payments under the Agreement to Assignor. Upon receipt of notice of Assignor's default, Sublessee shall make all payments due and provide all notices and other information to be paid, provided or furnished under the Agreement directly to FSLC and all such payments shall be free of any offsets, claims or defenses of any kind whatsoever.

4. Sole Responsibility. Assignor's obligations as set out in the Agreement are the sole responsibility of Assignor, and FSLC shall have no obligations of Assignor thereunder. Sublessee shall look solely to Assignor and not to FSLC for performance of Assignor's obligations under the Agreement, including, without limitation, any obligations of maintenance and indemnity. The Agreement shall continue in full force and effect, notwithstanding any failure by Assignor to perform any of its obligations therein.

5. Agreement. The Agreement and all of the Sublessee's obligations thereunder, including without limitation the obligation to make all payments under the Agreement are absolute and irrevocable and shall continue in full force and effect without abatement and regardless of any cause or reason whatsoever.

6. Additional Documentation. Sublessee shall obtain or execute all such documents and instruments as FSLC may deem reasonably necessary in order to effectuate the Assignment or this Acknowledgment.

7. Authorization. The Agreement has been duly authorized by Sublessee and no provision of the Agreement is inconsistent with Sublessee's charter, by-laws or any loan or other agreement or instrument to which Sublessee is a party or by which Sublessee or its properties may be bound or affected. Each person executing the Agreement on behalf of Sublessee was duly authorized to take such action and the Agreement constitutes a valid and binding agreement on behalf of the Sublessee enforceable according to its terms.

8. Delivery and Acceptance of Equipment. The Equipment has been delivered to Sublessee, and accepted as satisfactory in accordance with the Agreement. Sublessee hereby reaffirms all matters set forth in any certificate of acceptance delivered to Assignor. The Equipment is in the condition required by the terms of the Agreement and no loss, casualty, taking or requisition has occurred with respect to any of the Equipment.

9. Subordination of Rights. Any rights Sublessee may have in or to the Equipment by virtue of the Agreement are subordinate to FSLC's interest acquired from Assignor, and to the extent requested by FSLC, Sublessee shall take all action necessary to perfect and protect all rights, titles and interests of FSLC in the Agreement and the Equipment under the Uniform Commercial Code and other applicable law. Sublessee shall: (a) make any modifications to the Equipment as are required by all laws, rules, regulations and ordinances applicable to the Sublessee or the Equipment during the term of the Agreement; (b) make all reports and filings required by all laws, rules, regulations and ordinances relating to the Equipment or its use and operation; and (c) forward any such reports required to be signed by FSLC to FSLC at least ten (10) business days prior to the due date of such report.

10. Acknowledgment of Assignment. Sublessee acknowledges that Assignor's assignment to FSLC hereunder shall not preclude further assignments of the Agreement by FSLC and shall not relieve Sublessee of any of its duties pursuant the Agreement should such further assignments be made. Sublessee acknowledges and agrees that this Acknowledgment is a material inducement for FSLC to enter into the Assignment and FSLC would not enter into the Assignment without this Acknowledgment.

JUN 28 '96 15:55 FR FSLCNU
JUN-28-96 FRI 16:41
JUN 28 '96 13:27 FR FSLCNU

702 383 2930 TO CREDIT
702 383 2930 TU 18013009157

P.07/07
P.06/06

11. Notices. All notices to FSLC shall be given in the manner required by the Agreement to the following address:

First Security Leasing Company
381 East Broadway
Salt Lake City, Utah 84111

SUBLESSEE:

ECDC ENVIRONMENTAL, L.C., a Utah limited liability company

By: [Signature]
Its: VICE PRESIDENT

I hereby certify that this is a true and correct copy of the original document.
First Security Leasing company
By: Dorena M. [Signature]
Its: Authorized Rep

*** TOTAL PAGE.06 ***